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7 Attorneys for Arizona Department of Health Services

8 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

9 **IN AND FOR THE COUNTY OF MARICOPA**

10 CHARLES ARNOLD, MARICOPA
11 COUNTY PUBLIC FIDUCIARY, as
12 guardian and next friend on behalf of
13 JOHN GOSS; JANCY E. ELLISTON, as
14 guardian, conservator and next friend on
15 behalf of CLIFTON DORSETT and as
16 next friend on behalf of RICHARD
17 SCHACHERLE and SUSAN SITKO;
18 TERRY BURCH; and on behalf of all
19 others similarly situated,

20 Plaintiffs,

21 vs.

22 ARIZONA DEPARTMENT OF HEALTH
23 SERVICE, ARIZONA STATE
24 HOSPITAL, MARICOPA COUNTY
25 BOARD OF SUPERVISORS, and JANET
NAPOLITANO, Governor of Arizona.

Defendants.

No. C-432355

**ADHS' NOTICE OF FILING
UPDATED SERVICE CAPACITY
ATTACHMENT**

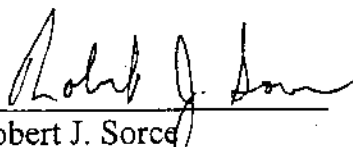
(Assigned to the Hon. Bernard J.
Dougherty)

Notice is hereby given that the Arizona Department of Health Services, by and through undersigned counsel, has updated the Service Capacity Attachment in accordance with Corrective Action Plan, Goal 6, Strategy 1, Action Step 1 and hereby

1 files the same with the Court. The updated Service Capacity Attachment is attached
2 hereto as Exhibit A.

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5 DATED this 16th day of December 2004.

6 TERRY GODDARD
7 Attorney General

8 
9 Robert J. Sorce
10 Assistant Attorney General

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12
13 **ORIGINAL** of the foregoing
14 filed this 16th day of December,
15 2004 with:

16 Clerk of the Superior Court
17 201 W. Jefferson
18 Phoenix, Arizona 85003

19 **COPY** of the foregoing hand
20 delivered this 16th day of
21 December, 2004 to:

22 The Honorable Bernard J. Dougherty
23 Superior Court of Maricopa County
24 201 W. Jefferson
25 Suite 4A
Phoenix, AZ 85003
Attention: Cheryl - Judge Colin Campbell

1 COPY of the foregoing mailed this 16th day
2 of December, 2004 to:

3 Anne C. Ronan
4 Arizona Center For Law In The
5 Public Interest
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18 *Attorneys for County Defendants*

19 By: 

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PcDOC#4435131

Service Capacity Report ("Leff Report")
2004 Update of Funding Values
(11/26/04)

Below is a table of the revised financial figures for the Leff Report. This update was prepared as a part of the Corrective Action Plan of the Arnold Audit (2004).

Type of Cost	<i>Original Report 100% Estimate</i>	<i>Original Report Exit Stipulation</i>	Revised Report 100% Estimate	Revised Report Exit Stipulation	FY2004 DBHS / Maricopa County SMI Budget
Full Funding -- Per HSRI	\$467,207,838	N/A	\$839,982,752	N/A	
Client Move- ment Model	\$370,015,798	\$269,050,475	\$665,243,309	\$483,719,964	
Medications	\$33,635,375	\$24,457,371	\$60,472,305	\$43,971,372	
Admin @ 8%	\$32,292,094	\$23,480,628	\$58,057,249	\$42,215,307	
Total Cost	\$435,943,267	\$316,988,474	\$783,772,863	\$569,906,643	\$260,895,832

Medical Inflation by Year

FY2000	FY2001	FY2002	FY2003	FY2004	FY2005(3 mos)
4.10%	4.60%	4.30%	3.90%	4.50%	0.70%

Methodology

1. The service and enrollment values of the HSRI Model were updated for inflation and current BHS enrollment. The medical inflation is Medical Component of the Consumer Price Index for July 1999 through September 2004 and can be found on the U.S. Bureau of Labor Statistics under Series ID CUUR0000SAM. The annually compounded inflation figure is 24.17%. The original enrollment value of 12,000 embedded in the HSRI Model was updated using the September 2004 ValueOptions enrollment of 17,375 (44.8% increase). Compounded $((1.2417 \times 1.448) - 1)$, the **total increase is 79.8%**.
2. The service values and enrollment numbers were updated directly in the original HSRI spreadsheet to get the above 100% computed value of \$839,982,752. All other values were then increased by 79.8%.